

# 2021 Budget General Fund Overview

**September 2020**

**TRUSTEE REID FOLTYNIEWICZ**

**SCOTT NIEHAUS, VILLAGE MANAGER**

**TIM SEXTON, DIRECTOR OF FINANCE**



# Agenda

- General Fund Revenue & Expenditure Assumptions
- 2020/2021 Budget Updates
- Summary

# **FY 2021 Revenue & Expenditure Assumptions/Comments**

**Attachment A: Top 10 FY21 General Fund Revenues Assumptions**  
**Attachment B: Top 10 FY 21 General Fund Expense Assumptions**

# General Fund Revenue & Expenditure Assumptions

## Multi-Year Financial Forecast Assumptions

### Revenue Assumptions

- **3.0% annual growth**
  - Property Tax (assumed max levy per statute)
  - Income Tax
  - Amusement Tax
  - Fees, fines, licenses, and permits
- **0% annual growth\***
  - Sales, Use, & Places For Eating taxes
- **0.0% annual growth for Utility Tax**
  - Gas
  - Electric
  - Telecommunications

\* Subject to change based on trend analysis

### Expenditure Assumptions

- **Increases**
  - Salary progressions: 4%
  - Health insurance: 7.5%
  - Retirement benefits:
    - IMRF 4%
    - Police & Fire Pension 7.5-9.0%
  - Technology Reserve: 1.5%
  - Fleet Services: 3%  
(Includes fuel, labor costs, and parts)
  - All other costs: 3%

## 2021 Budget Projections Due to COVID-19 (Compares to 2020 Budget)

### Revenues

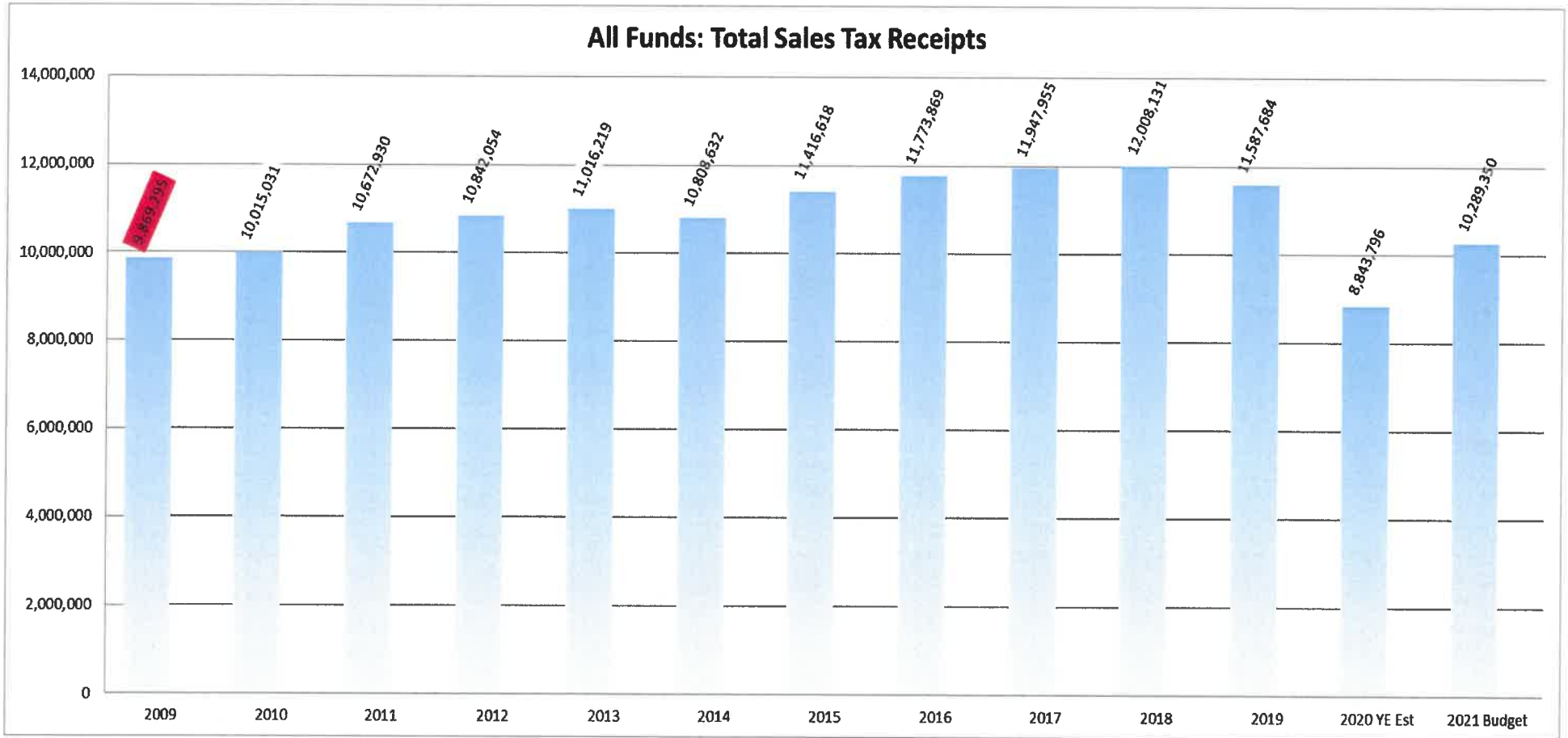
- 7.82% Local Use Tax
- 3.52% Property Tax (assumed max levy per statute)
- 0% Income Tax
- -8% Utility Taxes (gas, electric, telecommunications)
- -10% Sales Tax
- -7% Fees, fines, licenses, and permits
- -18% Places for Eating Tax
- -40% Amusement Tax
- **-\$2,186,381 Total**

Note: 2021 includes new revenue for Local Cannabis Sales Tax (\$270K), Cannabis Use Tax (\$20K), and Sales Tax from State on Cannabis (\$70K)

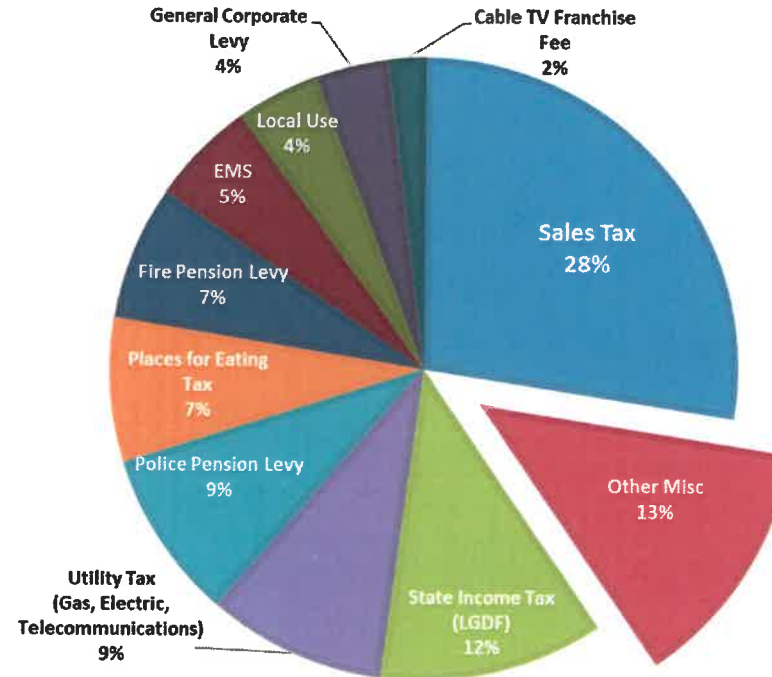
### Expenses

- -0.49% Wages (projected wage increases for 2021 are 1-2.5% based on union contracts, and vacant positions)
- -3.32% Fleet Services O&M (fuel, labor, parts)
- -6.28% Health insurance (type of plan and # employees enrolled)
- -8.98% IMRF Pension Fund (based on annual rate and # employees)
- 0.64% Fire Pension Fund (based on 12/31/19 actuary report)
- 4.58% Police Pension Fund (based on 12/31/19 actuary report)
- 4.79% DuComm (emergency dispatch)
- 10.00% Technology Reserve (re-evaluated annually)
- **-\$105,835 Total**

See Attachments A&B for additional information



# Top 10 FY 2021 General Fund Budgeted Revenues



	2019 Actual	2020 Amended Budget	2020 Estimated Amount	2021 Budgeted Revenues	\$ Over/Under 2020 Budget	% Over/Under 2020 Budget
<b>Total Top 10 Revenues</b>	\$31,759,188	\$32,216,400	\$27,316,150	\$31,615,000	(\$601,400)	-1.87%
<b>Total All GF Revenues</b>	\$37,281,050	\$37,320,780	\$31,037,260	\$36,335,730	(\$985,050)	-2.64%
<b>Top 10 vs Total GF Rev</b>	<b>85.19%</b>	<b>86.32%</b>	<b>88.01%</b>	<b>87.01%</b>	<b>N/A</b>	<b>N/A</b>

This chart shows that the Top 10 General Fund revenues make up 87.01% of all General Fund revenue sources.

ATTACHMENT A: Top 10 FY21 General Fund Revenues Assumptions							
	2019 Actual	2020 Amended Budget	2020 Estimated Amount	2021 Budgeted Revenues	\$ Over/Under 2020 Budget	% Over/Under 2020 Budget	Assumptions/Comments
Sales Tax	\$11,240,054	\$11,099,620	\$8,586,210	\$9,989,660	(\$1,109,960)	-10.00%	Budget projections (FY21 and beyond) do not include increased sales/places for eating tax for new developments. Projection does include \$90K for Cannabis Sales Tax and Bucky's Agreement with Glen Ellyn. Conservative estimates through the end of the year are 70% of budget for each month, as it is not clear if further shutdowns will be done due to increasing COVID numbers in Illinois.
State Income Tax (LGDF)	\$4,656,003	\$4,227,980	\$3,282,380	\$4,227,980	\$0	0.00%	The 5-10% reductions in previous years have been eliminated in the state's 2021 fiscal year, so LGDF will be fully funded starting in July. Unemployment is currently high and while the federal stimulus of an additional \$600 per week has kept income tax strong, as those benefits are taxable, it is undetermined if this will continue through the rest of the year. In addition, the state's budget challenges continue to be a concern for this revenue.
Utility Tax (Gas, Electric, Telecommunications)	\$3,571,216	\$3,650,180	\$3,077,060	\$3,354,820	(\$295,360)	-8.09%	The era of lower electricity prices is ending, and there will be more significant high single digit increases for the next several years due to the increases in the cost of electricity and capacity charges. Therefore, as electricity becomes more expensive, people will start to conserve more which will negatively impact the revenue. Also, there continues to be a decline in Telecommunications Tax receipts, which is down from \$3 million 12 years ago. It is likely to continue to decrease in the near term, although there should be a bottom at some point, probably around \$1M.
Police Pension Levy	\$2,838,753	\$3,049,760	\$3,051,890	\$3,189,450	\$139,690	4.58%	Tax levy requests per Actuarial Valuation Report for the year ending 12/31/2019. This revenue is requested in the 2020 tax levy. Both the Police and Fire Pension funds increased because the Tier II benefit changes effective January 1, 2020 under IL Public Act 101-610 increased the benefit obligation.
Fire Pension Levy	\$2,147,856	\$2,509,600	\$2,514,110	\$2,525,710	\$16,110	0.64%	
Places for Eating Tax	\$2,172,929	\$2,419,680	\$1,958,170	\$2,720,000	\$300,320	12.41%	The total amount of PFE Tax revenue collected in 2019 was \$3.3M. \$2.2M was allocated to the General Fund and the \$1.1 M in the Long Range Plan Fund. <b>The 2021 Budget projects a total decrease of \$603K (18%) due to restaurants permanently closing due to COVID-19. The entire 2021 projected PFE Tax revenue of \$2.7M is needed to help balance the General Fund budget.</b>

ATTACHMENT A: Top 10 FY21 General Fund Revenues Assumptions							
	2019 Actual	2020 Amended Budget	2020 Estimated Amount	2021 Budgeted Revenues	\$ Over/Under 2020 Budget	% Over/Under 2020 Budget	Assumptions/Comments
EMS	\$1,941,592	\$1,980,000	\$1,450,000	\$1,980,000	\$0	0.00%	Based on a actual revenue, no changes are assumed for FY21 EMS revenue.
Local Use	\$1,441,784	\$1,437,580	\$1,437,580	\$1,550,000	\$112,420	7.82%	We have seen this revenue increase fairly significantly in the last several years, mainly due to taxes collected on increased internet sales. The State started applying Use Tax to online sales in October 2018. Beginning January 1, 2020, online retailers will need to collect Sales Tax including locally imposed taxes.
General Corporate Levy	\$1,009,423	\$1,112,000	\$1,228,750	\$1,367,380	\$255,380	100.00%	This year the General Corporate levy primarily increased due the CPI increase from 1.9% for 2019 to 2.3% for 2020 and projected new growth increase of 1.31%. <b>The Police and Fire Pension funds are expected to continue to increase as the markets change and the General Corporate levy will once again be eliminated.</b>
Cable TV Franchise Fee	\$739,578	\$730,000	\$730,000	\$710,000	(\$20,000)	-2.74%	Projected revenue is based on current year collections. The Village in the past received approximately \$800,000 per year for Cable TV Franchise Fees. There have been recent developments in this area that suggest this revenue will likely decline fairly rapidly in the next several years. This is due to the cable companies switching from Cable TV packages to Streaming TV packages, which are delivered via the internet and not subject to this fee.
<b>Total Top 10 Revenue</b>	<b>\$31,759,188</b>	<b>\$32,216,400</b>	<b>\$27,316,150</b>	<b>\$31,615,000</b>	<b>(\$601,400)</b>	<b>-1.87%</b>	
<b>Total All GF Revenue</b>	<b>\$37,281,050</b>	<b>\$37,320,780</b>	<b>\$31,037,260</b>	<b>\$36,335,730</b>	<b>(\$985,050)</b>	<b>-2.64%</b>	
<b>Top 10 vs Total GF R</b>	<b>85.19%</b>	<b>86.32%</b>	<b>88.01%</b>	<b>87.01%</b>	<b>N/A</b>	<b>N/A</b>	



ATTACHMENT B: Top 10 FY21 General Fund Expense Assumptions							
<u>Non Discretionary</u>	2019 Actual	2020 Amended Budget	2020 Estimated Amount	2021 Budgeted Expenses	\$ Over/Under 2020 Budget	% Over/Under 2020 Budget	<u>Assumptions</u>
Wages	\$ 19,237,215	\$ 19,905,320	\$ 19,187,340	\$ 19,807,035	(\$98,285)	-0.49%	Wages include salaries and estimated increases for all Village employees. Increases are in accordance with union contracts. General wage increases are 1.0-2.5%.
Health Insurance	\$ 2,330,159	\$ 2,482,390	\$ 2,249,870	\$ 2,326,430	(\$155,960)	-6.28%	0.10% increase projected for PPO plans and 3.40% increase for HMO Plans. This expense is dependent upon the number of employees that enroll and the type of plan they choose.
Police Pension	\$ 2,838,754	\$ 3,049,770	\$ 3,051,890	\$ 3,189,450	\$139,680	4.58%	The Village's Tax Levy Requirement increased from \$3,049,770 last year to \$3,189,450 this year (4.58%). The Percent Funded has decreased from 68.8% last year to 67.8% this year due to the 5-year smoothing of asset gains and losses.
Fire Pension	\$ 2,147,856	\$ 2,509,600	\$ 2,514,110	\$ 2,525,710	\$16,110	0.64%	The Village's Tax Levy Requirement increased from \$2,509,600 last year to \$2,525,710 this year (0.64%). The Percent Funded has increased from 76.1% last year to 76.7% this year.
Emergency Dispatch	\$ 952,597	\$ 981,100	\$ 779,710	\$ 1,028,110	\$47,010	4.79%	DuComm has fees budgeted for Lombard for FY21 for 66 PD Officers. The Fire Department's DuComm fee is based on the Village's EAV which increased 4.51%. FY20 YE Est was reduced, the DUCOMM Board waived 2nd Qtr. fees due to COVID-19.

ATTACHMENT B: Top 10 FY21 General Fund Expense Assumptions							
<u>Non Discretionary</u>	2019 Actual	2020 Amended Budget	2020 Estimated Amount	2021 Budgeted Expenses	\$ Over/Under 2020 Budget	% Over/Under 2020 Budget	<u>Assumptions</u>
Fleet Services O&M	\$ 836,438	\$ 942,660	\$ 942,660	\$ 911,370	(\$31,290)	-3.32%	Based upon an analysis by division of fleet O&M costs, we project an 8.53% decrease in fuel costs, 3.71% increase in labor costs, and 0.24% decrease for parts.
Technology Reserve	\$ 518,470	\$ 484,630	\$ 484,630	\$ 533,520	\$48,890	10.09%	New technology is paid for by individual funds. Each fund annually contributes to the Technology Reserve account for replacement of the specific equipment at the end of the equipment's useful life. Replacement cost and useful life for each item is re-evaluated annually. This re-evaluation may change the annual amounts that each fund contributes.
Legal Services	\$ 425,901	\$ 376,000	\$ 429,000	\$ 436,450	\$60,450	16.08%	Cost are based on prior year actuals and may vary based on legal matters that occur during the year.
Electric	\$ 234,700	\$ 249,800	\$ 249,800	\$ 249,800	\$0	0.00%	No significant change in pricing compared to prior year.
Benefits	\$ 232,775	\$ 209,410	\$ 197,970	\$ 206,495	(\$2,915)	-1.39%	Other Benefits include life insurance, uniforms, and tuition reimbursement. (Does not include IMRF, SS, Med)
	2019 Actual	2020 Amended Budget	2020 Estimated Amount	2021 Budgeted Expenses	\$ Over/Under 2020 Budget	% Over/Under 2020 Budget	% of Total General GF
<b>Non-Discretionary Exp</b>	\$ 29,754,864	\$ 31,190,680	\$ 30,086,980	\$ 31,214,370	\$ 23,690	0.08%	<b>84.65%</b>
<b>Discretionary Exp</b>	\$ 4,573,440	\$ 5,177,822	\$ 4,718,300	\$ 4,730,597	(\$447,225)	-8.64%	<b>12.83%</b>
<b>Transfers to Waterfall Funds</b>	\$ 1,500,000	\$ -	\$ -	\$ -	\$0	0.00%	<b>0.00%</b>
<b>Economic Incentive</b>	\$ 251,715	\$ 267,800	\$ 267,800	\$ 267,800	\$0	0.00%	<b>0.73%</b>
<b>Reimbursable Expenses (COBRA, Retiree Health, misc.)</b>	\$ 610,513	\$ 684,480	\$ 691,600	\$ 661,770	(\$22,710)	-3.32%	<b>1.79%</b>
<b>Total General GF Expense</b>	\$ 36,690,532	\$ 37,320,782	\$ 35,764,680	\$ 36,874,537	\$ (446,245)	<b>-1.20%</b>	<b>100.00%</b>



# 2020/2021 Budget Updates

**Review assumptions and changes that occurred in 2020 used to develop the 2021 budget and projections for the future**

# FY 2020 YE EST & FY 2021 BUDGET UPDATE

	<u>As of 8/10/2020</u>
FY 2020 YE Est Deficit	(4,727,420)
FY 2021 Projected Budget Deficit	<u>(538,807)</u>
Total Estimated Deficits for Two years	(5,266,227)
Anticipated CARES Act \$ from County	<u>2,296,668</u>
Remaining Deficit to Cover (if negative)	(2,969,559)
Potential Village Funds to Address Deficit in Order of Application:	
2019 Revenues Over Expenditures	1,078,000
Revenue Stabilization Fund	1,283,000
Anticipated Proceeds from Sale of 101 S. Main St.	1,500,000
<b>Remaining Deficit to Cover (if negative)</b>	<b>891,441</b>
Potential Other Village Funds Available to Address Deficit	
Emergency Expense Reserve Fund	1,833,000
Building Reserve Fund	3,369,000
Total Potential Other Village Funds Available to Address	<u>5,202,000</u>

FY 2020

Monitoring:

- Retail and Sales Tax
- Economy
- Places for Eating Tax

FY 2021 and Beyond

Potential Future Revenue Additions

reducing the amount of reserves needed to cover deficit

Potential Future Expense Cuts

- Position Reductions or Delayed Hiring
- Level of Service Reductions
- Wage Concessions

Overall 2021 Expenditures are \$446,245 less than 2020 budget  
Refer to Attachment B: 2021 Expense Assumptions

The items in Orange are items that are anticipated to happen, but still not guaranteed at this point.

The Reserve Funds highlighted in Red had a separate intended purpose; the intent will be to try and maintain these reserve funds for their intended purpose if at all possible; this will be accomplished if revenues come in better than anticipated and we are able to make further reductions to expenditures

The expenditure projections in Green may change based on additional information gathered this fall

# Vacant Frozen Positions

POSITION			FUND INFORMATION					Total Amount of Savings
Position	FT/PT	Date Vacant	% GF	Amount GF	% WS	Amount WS	Total %	
<b>Finance</b>								
Administrative Coordinator	FT	8/3/2020	100%	37,311			100%	37,311
<b>Finance Subtotal</b>				<b>37,311</b>		-		<b>37,311</b>
<b>Community Development</b>								
Building/Electrical Inspector	PT	5/8/2020	100%	37,604			100%	37,604
Development Services Coop	PT	NA			100%	9,645	100%	9,645
CD Intern	PT	NA	100%	7,837			100%	7,837
CD Intern	PT	NA	100%	7,837			100%	7,837
<b>Community Development Subtotal</b>				<b>53,278</b>		<b>9,645</b>		<b>62,924</b>
<b>Police Department</b>								
Police Officer	FT	10/4/2019	100%	172,540			100%	172,540
Police Officer	FT	1/24/2020	100%	167,666			100%	167,666
Front Desk Clerk	FT	11/3/2019	100%	73,512			100%	73,512
Front Desk Clerk	PT	10/7/2019	100%	27,640			100%	27,640
<b>Police Department Subtotal</b>				<b>441,357</b>				<b>441,357</b>
<b>Fire Department</b>								
Firefighter	FT	4/6/2020	100%	118,675				118,675
<b>Fire Department Subtotal</b>				<b>118,675</b>				<b>118,675</b>
<b>Public Works</b>								
WTWWP Coop	PT	NA	50%	7,218	50%	7,218	100%	14,436
Seasonal GIS/Asset Mgt Intern	PT	NA	50%	3,230	50%	3,230	100%	6,459
<b>Public Works Subtotal</b>				<b>10,447</b>		<b>10,447</b>		<b>20,895</b>
<b>TOTAL</b>				<b>661,069</b>		<b>20,093</b>		<b>681,162</b>

# Summary

- Budget Timeline
  - F&A Committee reviewed Preliminary 2021 Budget on 9/14/2020
  - Budget Workshop 9/28/2020
  - Public Hearing on Budget and 1st Reading of Annual Budget Ordinance on 11/5/2020
  - 2nd Reading on 11/19/2020
- Questions

# EXECUTIVE & LEGISLATIVE

NICOLE ARANAS, ASSISTANT VILLAGE MANAGER



## MEMORANDUM

**TO:** Scott Niehaus  
Village Manager

**FROM:** Nicole P. Aranas  
Assistant Village Manager

**DATE:** September 8, 2020

**SUBJECT:** **PROPOSED LEGISLATIVE AND EXECUTIVE BUDGET CALENDAR YEAR 2021**

Attached please find the proposed Legislative and Executive budgets that cover FY2021. These budgets reflect an annual request of \$2,596,742, which is \$82,998 less than FY20, representing a year over year decrease of -3.1%.

Any substantive changes to these budgets as compared to FY2020 are highlighted below.

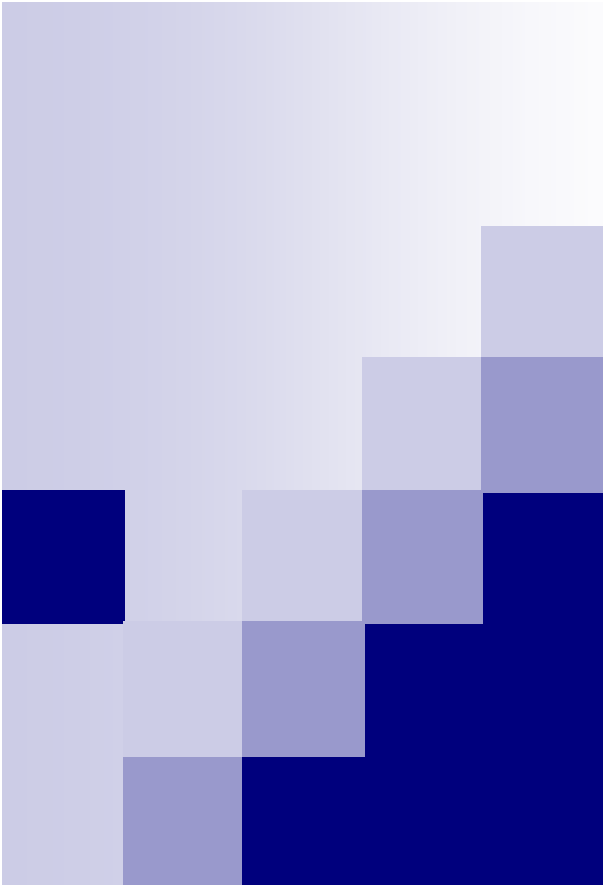
The Legislative and Executive Budgets for FY2021 reflect a combination of contractually obligated non-discretionary changes and certain non-discretionary expenditure changes:

**Areas of Increase** – Areas of increase within the Legislative and Executive Budgets primarily reflect non-discretionary expenses related to contract wages, benefits and contractual increases as well as minor adjustments to reflect actual expenditures. Notable areas of increase include expenditures for HR professional and technical services (\$36,010) and legal services (\$60,450).

**Areas of Decrease** – Noteworthy expenditure reductions for the 2021 budget include reduced BOFPC testing (-\$39,500), deferral of a capital improvement project at the Victorian cottage (-\$24,990), and elimination of postage (-\$10,190) and printing (-\$7,920) for the PRIDE newsletter.

**Additions to the Budget** – Aside from the realignment of expenses for legal services and HR professional and technical services, there are no other substantive additions to the Legislative and Executive budgets for FY2021.





Calendar Year 2021  
Budget Workshop

Lombard Legislative & Executive Budget

# Legislative & Executive Budget Overview

- Legislative Dept. proposed budget overall decrease of \$74,450 (-12.65%)
  - General Fund decrease \$43,980 (-11.14%)
  - Hotel/Motel Fund decrease \$30,470 (-15.71%)
  
- Executive Dept. proposed budget overall decrease of \$8,548 (-0.41%)
  - General Fund increase \$63,160 (+5.63%)
  - Hotel/Motel Fund decrease \$50,310 (-12.77%)
  - Liability Risk Management Fund decrease \$21,398 (-3.71%)

## Village of Lombard Legislative FY21 Budget Request Summary

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
<b>Legislative Department</b>	<b>490,360</b>	<b>588,580</b>	<b>495,250</b>	<b>514,130</b>	<b>(74,450)</b>
President & Board of Trustees	123,851	131,340	129,440	129,220	(2,120)
Village Clerk & Records Admin	180,556	172,290	173,730	172,430	140
Board of Fire & Police Commission	32,626	91,020	47,420	49,020	(42,000)
Museum/Peck House/Main St Cemetery	153,327	193,930	144,660	163,460	(30,470)
<i>Year to Year Increase</i>		<i>20.03%</i>	<i>-15.86%</i>	<i>-12.65%</i>	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	



## Significant Increase/Decreases:

- **Legislative Department** - Overall decrease of \$74,450 when compared to FY20 (-12.7%)
- **President and Board of Trustees**
  - Overall reduction of \$2,120 (-1.6%)
  - Training and travel reduced \$500
  - Misc. contractual obligations (internet) reduced \$1,400
- **Village Clerk and Records**
  - Overall increase of \$140 (+0.08%)
  - Overall changes are nominal
  - Personnel wage and benefits account for any increases
- **Board of Fire & Police Commission**
  - Overall reduction \$42,000 (-46.1%)
  - Other professional/technical services reduced by \$39,500
  - 2020 processes – FD Lt., PD Lt., PD Sgts.
  - 2021 processes – FD BC, FD firefighters
- **Museum/Peck House/Cemetery**
  - Overall decrease of \$30,470 (-15.7%)
  - Training and travel reduction \$4,000
  - Deferral of roof replacement project reduction \$24,990

## Village of Lombard Executive FY21 Budget Request Summary

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
<b>Executive Department</b>	<b>2,166,742</b>	<b>2,091,160</b>	<b>2,011,830</b>	<b>2,082,612</b>	<b>(8,548)</b>
Admin Management	420,909	413,040	427,890	423,460	10,420
Human Resources	330,895	337,620	329,660	330,260	(7,360)
Legal Services	425,278	370,350	425,000	430,450	60,100
Communications	416,831	394,050	318,720	343,740	(50,310)
Risk Management Admin	510,439	520,180	454,640	497,092	(23,088)
Employee Services Liability	62,391	55,920	55,920	57,610	1,690
<i>Year to Year Increase</i>		<i>-3.49%</i>	<i>-3.79%</i>	<i>-0.41%</i>	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	



## Significant Increase/Decreases:

### Executive Department – Overall decrease of \$8,548 when compared to FY20 (-0.4%)

- **Legal Services**
  - Overall increase of \$60,100 for legal services
  
- **Human Resources**
  - Overall decrease of \$7,360 (-2.2%)
  - Wage and benefits costs for HR Payroll Specialist
  - Training and travel reduction (\$2,330)
  
- **Administration**
  - Overall increase of \$10,420 (2.5%)
  - Personnel wage and benefits
  
- **Communications**
  - Overall reduction of \$50,310 (-12.76%)
  - Pride postage eliminated \$10,190
  - Pride printing eliminated \$7,920
  - Transfer to general fund (5% of revenue) reduced \$43,290
  
- **Liability Insurance Fund Administration**
  - Overall reduction of \$23,088 (-4.4%)
  - Other professional/technical services reduced \$12,578
  - Insurance claims reduction (general liability, property, workers compensation) \$11,980
  
- **Employee Services**
  - Overall increase of \$1,690 (3.0.%)
  - Misc. contractual obligations and other professional/technical services

## Legislative & Executive Challenges:

- Continue to control expenses to manage future deficits and address lost or slow to recover revenues
- Continued implementation of Village strategic initiatives and priorities as detailed in the Strategic Plan
- Identify approach to address anticipated local hotel/motel tax budget deficit:
  - Revenue shortfall anticipated in 2021/2022
  - Address anticipated deficit through use of reserve funds, budget reductions, and budget modifications
  - Evaluation and recommendation through the Community Promotion and Tourism Committee

# FINANCE DEPARTMENT

TIM SEXTON, FINANCE DIRECTOR





## MEMORANDUM

**TO:** Scott Niehaus, Village Manager

**FROM:** Tim Sexton, Director of Finance

**DATE:** September 3, 2020

**SUBJECT:** Proposed Budget for the Lombard Finance Department and General Services Calendar Year 2021

I respectfully submit the Finance Department and the General Services proposed budget for Fiscal Year 2020. The proposed budget for the Finance Department represents an increase of \$114,450 (5.06%), compared to last fiscal year. The proposed budget for General Services represents a decrease of \$440,310 (8.55%), compared to last fiscal year. Any substantive changes to these budgets as compared to Fiscal Year 2020 will be highlighted below.

### Substantive Changes

- Reduced travel and training costs due to COVID-19.
- The Village contracted with Paymentus in 2020 to provide one portal for customers to log in to see their daily usage and waterbill, make a payment, set alerts, and get cost saving tips. The new payment system will be ready for the customers this fall. Customers can also mail in payments to the lockbox, set up automatic payments thru their bank, sign up for direct debit thru the Village, or drop off a payment in the paybox located in the Village's parking lot. Another payment/document drop box will be installed later this year by the Village's front door.
- The Finance Administrative Coordinator retired in August 2020 and the position was eliminated.
- The Parking Permit Program was eliminated in September 2020 and the parking fee will increase \$0.25 to \$1.50 on January 1, 2021.

### Significant Areas of Increase

- Replace desk phones and phone server (\$140,000) and a Stryker Cot & Power Load System for the Fire Department (\$42,210) are scheduled to be replaced in 2021. The replacements will be purchased from the Technology Reserve Fund.

- The Technology Equipment Account in the General Fund includes an increase of \$100,000 for new security equipment and \$48,000 for ThinkGard Backup Disaster Recovery Annual Support/Maintenance.
- Salaries and benefit increased \$60,640 in the Utility Billing & Account Maintenance cost center. In 2021, 90% of the Customer Service Representatives salary and benefits will be allocated 90% to the Utility Billing cost center and 10% to the General Fund.
- Credit card and bank fees projected increase of \$33,360 based on current year expenses.

### **Significant Areas of Decrease**

- Reduced Contingencies budget \$92,680 based on projected annual wage increases.
- Projected decrease for LPFC Rebates is \$353,030 based on projected tax collections.
- Salaries and benefits decreased \$73,380 in the Finance Administration cost center due to the elimination of Administrative Coordinator position.
- IT reduced telephone costs \$108,040 by removing old circuits.

### **Policy Discussions**

On March 17, 2020, due to the COVID-19 pandemic, the Village of Lombard in accordance with the Illinois Commerce Commission's order suspended all penalties and disconnections for late water and sewer payments. Attached is a Communications Plan and FAQ for resuming water billing penalties.

### Recommendation from Finance & Administration Committee

- Resume applying penalties on accounts that have a past due balance on December 28, 2020.
- Disconnect accounts with past due balances beginning January 20, 2020.

### **Challenges**

- Continue to track and seek reimbursement for costs related to COVID-19
- Manage commuter parking lot changes (\$0.25 increase on 1/1/21 and elimination of permit parking 9/4/20). Monitor usage to determine parking usage and needs.
- Continue to reduce expenses to prevent future deficits and prepare for potential local revenue cuts that may be made by the State of Illinois.
- Cyber Security – We do everything possible to minimize the risk but there is always the possibility of a cyber-attack as long as we are doing business outside of our secure environment, which is necessary.
- Continue to provide excellent financial services with reduced staff.

If you should have any questions or would like any additional information, please do not hesitate to contact me.



Calendar Year 2021  
Budget Workshop  
Lombard Finance Department

# General Services Budget Overview

- General Services FY21 proposed budget for all funds is \$4,719,110 which is a decrease of \$440,310 (8.55%) compared to FY20 budget
  - General Fund decreased \$289,830 (10.40%)
  - Hotel Motel Fund decreased \$307,040 (40.00%)
  - Business District #1 (part of Yorktown) no change
  - Technology Reserve increased \$161,210 (79.95%)
  - Water & Sewer Operating Fund decreased \$4,650 (0.77%)
- Economic Incentives are budgeted in the General Fund in General Services and are based on projected sales tax revenues. The projected 2021 Budget is \$267,800 which is the same as the 2020 Budget
  - Mariano's/Bradford
  - Thornton's

## Village of Lombard General Services FY21 Budget Request Summary

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
<b>General Services</b>	<b>6,182,865</b>	<b>5,150,420</b>	<b>3,571,530</b>	<b>4,710,110</b>	<b>(440,310)</b>
General Services- General Fund	3,509,323	2,480,950	1,651,270	2,237,110	(243,840)
LPFC Sales/PFE Tax Rebate	268,030	306,630	170,000	260,640	(45,990)
LPFC Hotel/Motel Tax Rebate	727,952	767,600	276,340	460,560	(307,040)
Business District #1	777,725	789,450	789,450	789,450	-
Technology Reserve	326,692	201,640	159,260	362,850	161,210
General Services - Water/Sewer	573,142	604,150	525,210	599,500	(4,650)
<i>Year to Year Increase</i>		<i>-16.70%</i>	<i>-30.66%</i>	<i>-8.55%</i>	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	

### Significant Increase/Decreases:

- General Services –General Fund decreased \$243,840
  - COBRA Health Insurance (reimbursable expense) decreased \$25,170
  - Contingencies decreased \$92,680
  - Telephones decreased \$108,040, removed old low baud circuits
  - Reduced Transfer to Technology \$44,430, moved the transfer for emergency fire equipment to EMS cost center for GEMT reporting
- LPFC Rebates were reduced based on projected tax collections (based on actual sales)
- Technology Reserve increased \$161,200 (based on replacement schedules)
  - \$42,210--Fire Department Stryker Cot & Power Load System replacement
  - \$140,000—desk phone and phone server replacement

# Finance Department Budget Overview

- Finance Department's FY21 proposed budget for all funds is \$2,376,540 which is an increase of \$114,450 (5.06%) compared to FY20 budget (76.68% of total increase is W&S Operating Fund)
  - General Fund increased \$23,660 (1.40%)
  - Hotel/Motel Tax Fund increased \$2,880 (6.73%)
  - Water & Sewer Operating Fund increased \$87,910 (16.74%)

## Village of Lombard Finance Department FY21 Budget Request Summary

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
<b>Finance Department</b>	<b>2,132,539</b>	<b>2,262,090</b>	<b>2,296,080</b>	<b>2,376,540</b>	<b>114,450</b>
Admin & Treasury Mgmt	461,310	482,010	469,560	390,660	(91,350)
Accounting & Financial Services	322,478	340,590	363,170	373,960	33,370
Customer Service/Licensing	68,091	69,230	71,760	27,100	(42,130)
Information Technology	774,832	802,260	797,450	926,030	123,770
Finance Village Events	52,658	42,780	42,780	45,660	2,880
Utility Billing & Account Maintenance	453,170	525,220	551,360	613,130	87,910
<i>Year to Year Increase</i>		<i>6.07%</i>	<i>1.50%</i>	<i>5.06%</i>	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	

### Significant Increase/Decreases:

- Admin & Treasury Mgmt. decreased \$91,350
  - \$79,380—eliminated the Finance Admin Coordinator position
  - Eliminated Open Gov contract (\$6,650) and GFOA Budget Award application fee (\$430)
- Accounting & Financial Services—salaries increased \$15,810 and health insurance increased \$23,000
- Information Technology includes \$100,000 increase for security equipment and \$48,000 for ThinkGard Backup Disaster Recovery Annual Support/Maintenance
- Utility Billing & Account Maintenance increased \$87,910
  - Salaries and benefit increased \$60,640 (allocated 90% of salary and benefits for Customer Service Representatives in 2021 vs. 50% in 2020)
  - Credit card and bank fees projected increase of \$33,360 based on current year expenses



## **Policy Discussions:**

On March 17, 2020, due to the COVID-19 pandemic, the Village of Lombard in accordance with the Illinois Commerce Commission's order suspended all penalties and disconnections for late water and sewer payments. Attached is a Communications Plan and FAQ for resuming water billing penalties.

### **Recommendation from Finance & Administration Committee**

- Resume applying penalties on accounts that have a past due balance on December 28, 2020.
- Disconnect accounts with past due balances beginning January 20, 2020.



## Finance Department Challenges:

- Continue to track and seek reimbursement for costs related to COVID-19.
- Manage commuter parking lot changes (\$0.25 increase on 1/1/21 and elimination of permit parking 9/4/20). Monitor usage to determine parking usage and needs.
- Continue to reduce expenses to prevent future deficits and prepare for potential local revenue cuts that may be made by the State of Illinois.
- Cyber Security – We do everything possible to minimize the risk but there is always the possibility of a cyber attack as long as we are doing business outside of our secure environment, which is necessary.
- Continue to provide excellent financial services with reduced staff.

# COMMUNITY DEVELOPMENT DEPARTMENT

BILL HENIFF, COMMUNITY DEVELOPMENT DIRECTOR



## MEMORANDUM

**TO:** Scott R. Niehaus, Village Manager

**FROM:** William J. Heniff, AICP, Community Development Director

**MEETING DATE:** September 28, 2020

**RE:** **FY2021 Proposed Budget – Community Development Department**

Attached for Village Board of Trustees consideration is the draft FY2021 Budget for the Community Development Department, which comprises about 4.56% of the total proposed General Revenue Fund. The budget comprises the proposed expenditures for the four divisions and administration activities that comprise the department's operations.

With respect to proposed expenditures, the department is proposing an overall budget of \$1,681,710 for FY2021, which represents a 1.41% **decrease** (\$24,050) from the FY2020 amended budget.

With respect to the nature of the expenditures, most of the costs are allocated to employee compensation or private contractors performing the department's services. For 2021, in lieu of filling a vacant Private Development Engineer position, the Department will continue to utilize the funds previously allocated to that position to private contractual services. This recommendation will continue to be reviewed in the future, based upon contractor costs for service, development service expectations and general economic conditions. However, we are anticipating willing the existing vacant Private Development Engineer position in September, 2020 to address the cost overruns in this category this year.

Through the remainder of 2020 and into 2021, staff will continue to build upon technology enhancements through Online Solutions LLC's CitizenServe software for permit submittal and issuance, as well as other technologies which were implemented in 2020 that were invaluable in meeting the needs of the COVID-19 world.

Should prospective higher profile projects continue to progress, the Community Development Department may need to add contractual services on an "as-needed basis". We also note that the Building Division has two vacant positions and given our associated cost experiences with the Private Engineering Services Division in 2020, it may be more fiscally prudent to backfill the two vacant positions, in order to meet daily staffing needs as well as meeting community timelines and service levels previously established by the Village Board. Additionally, for selected projects, revenues outside of the General Fund or utilization of the cost recovery provisions set forth within Chapter 16 of the Village code may also be in order.



Calendar Year 2021  
Budget Workshop  
Lombard Community  
Development Department



# Community Development Department Budget Overview

Community Development's FY21 proposed budget for the General Fund is \$1,681,710 which is a **decrease** of \$24,050 (1.41%) compared to the FY20 budget.

## Village of Lombard Community Development Department FY21 Budget Request Summary

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
<b>Community Development Department</b>	<b>1,697,548</b>	<b>1,705,760</b>	<b>1,787,450</b>	<b>1,681,710</b>	<b>(24,050)</b>
Community & Economic Development Admin	398,938	391,520	411,530	277,760	(113,760)
Planning Services	218,612	229,510	213,350	341,380	111,870
Code Administration	160,318	158,500	191,150	162,510	4,010
Building	679,609	701,930	659,900	655,950	(45,980)
Private Engineering Services	240,072	224,300	311,520	244,110	19,810
<i>Year to Year Increase</i>		<i>0.48%</i>	<i>4.79%</i>	<i>-1.41%</i>	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	



## **Significant Increases/Decreases:**

**Administration:** Decrease of \$113,760 from approved FY2020

**Planning Services Division:** Increase of \$111,870 from FY2020 budget (Asst. Director moved from Admin.)

**Code Administration:** Increase of \$4,010 from FY2020 (field technology)

- No significant capital expenses in FY2021 for these divisions

## Significant Increase/Decreases:

### Building

- Overall **decrease** of \$45,980 from approved FY2020
- Use this figure carefully, as it is a function of projected development activity (if more projects are undertaken there will be more expenses for third-party services or Village staff).
- Third-party services are at higher cost – area scheduled for further review, all in order to maximize expenditures and labor output.



## Significant Increase/Decreases:

### Private Engineering Services

- Overall **increase** of \$19,810 from approved FY2020
- Also a development driven cost center
- Solely third-party service used in 2020 may result in an approx. \$90,000 increase in cost for service; filling existing position may help realign cost center with expectations

## **Community Development Department Challenges:**

- Implementing goals and priorities set by Village Board and committees, while meeting increases in service demand (core v. enhanced)
- Meeting increasing demands of the development community, given budget constraints (i.e., ensuring we can deliver on the permits customers are seeking or already paid for)
- Continuing to pursue and implement technology enhancements (software and virtual inspections) that meet both Village and customer needs without excessive staff research and development efforts
- Building on current and future economic goals and successes
- Providing additional staff and/or resources for larger scale projects



## Meeting the Challenge (On-line Permit System):

On-line permitting fully implemented in February. Since beginning of limited Village Hall operations (mid-March through August)

- 6,810 logins
- 1,632 permits processed electronically (**85%** of all permits)
- 2,127 electronic field inspections
- 538 on-line contractor registrations (**87%** of all such registrations)



## Community Development Department – How we Intend to Meet the Challenges:

- Creating “backstops” to account for:
  - Unanticipated external events (e.g., flooding events, public meetings, private deadlines, etc.)
  - Increases in Service Demand through Development Entitlement Process and Construction
  - Employee Attrition/Multiple Retirements
  - Unanticipated or Scheduled Employee Time-off
  - Professional Development
- CitizenServe implementation
  - Ongoing enhancements
  - Electronic plan review, storage
- Implementation of enhanced tools for development pipeline projects (EIP, TIF, BD2)

# FIRE DEPARTMENT

RICK SANDER, FIRE CHIEF



To: Scott Niehaus, Village Manager

From: Rick Sander, Fire Chief 

Date: September 3, 2020

**Subject: Fire Department's Proposed Fiscal Year 2021 Budget**

I respectfully submit the Fire Department's Proposed Budget for Fiscal Year 2021.

The proposed budget for all funds will decrease by **\$70,795** or **.53%** compared to Fiscal Year 2020.

The budget reflects three significant changes:

1. An increase of **\$271,630** to Emergency Medical Services

*The majority of this increase is attributable to a transfer of **\$152,900** from Fire and Rescue Services for Emergency Dispatch Fees and **\$124,290** in Technology Reserves for EMS Equipment.*

2. A reduction in the Building Fund by **\$87,150**

***\$75,000** of this reduction is due to the completion of the Fire Station Alerting System.*

3. A reduction in our Liability Fund by **\$68,730**

**Note: One FTE position for Firefighter/Paramedic is frozen and will remain vacant in 2021.**

### **Ongoing Challenges for the Fire Department**

The Fire Department faces numerous challenges while operating during a pandemic and during times of civil unrest. This requires constant changes and adaptation to our operational plans based on current information and resources available.

The Department also faces challenges associated with an aging population, an opioid crisis, mental health concerns, and the unknown long-term effects of the pandemic.

Finally, we need to address our aging fire facilities and find innovative ways to address federal and state unfunded mandates.



Calendar Year 2021  
Budget Workshop  
Lombard Fire Department

# Fire Department Budget Overview

- Fire Department's FY21 proposed budget for all funds is \$13,351,975 which is a decrease of \$70,795 (0.53%) compared to FY20 budget
  - General Fund decreased by \$7,895 (0.06%)
  - Fire Donation Fund decreased by \$400 (100%)
  - Hotel/Motel Tax Fund no change
  - Foreign Fire Fund increased by \$6,230 (12.00%)
  - Liability Fund decreased by \$68,730 (8.72%)



## Village of Lombard Fire Department FY21 Budget Request Summary

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
<b>Fire Services Department</b>	<b>12,563,514</b>	<b>13,422,770</b>	<b>13,236,000</b>	<b>13,351,975</b>	<b>(70,795)</b>
Fire Administration	2,642,174	3,070,150	3,048,320	3,064,830	(5,320)
Fire Buildings	69,300	156,120	153,620	68,970	(87,150)
Fire Prevention	249,533	314,800	309,420	312,090	(2,710)
Fire & Rescue Services	5,840,359	5,844,320	5,815,270	5,667,280	(177,040)
Fire & Rescue Training	118,539	105,370	80,320	105,945	575
Fire Investigation	9,288	12,910	12,910	13,740	830
Emergency Medical Service	2,980,261	3,019,210	3,024,750	3,290,840	271,630
Emergency Preparedness	76,568	51,210	44,910	42,500	(8,710)
FD Village Events	1,630	8,600	8,600	8,600	-
Fire Donations	-	400	-	-	(400)
Foreign Fire Insurance	53,739	51,910	51,910	58,140	6,230
Risk Management - Fire	522,123	787,770	685,970	719,040	(68,730)
<i>Year to Year Increase</i>		<i>6.84%</i>	<i>-1.39%</i>	<i>-0.53%</i>	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	

## Notable Changes to Cost Centers from 2020

### Fire & Rescue Services

- **Decrease** There is a total decrease of **\$177,040**. The majority of this decrease is due to transferring **\$152,900** or **72%** of the Emergency Dispatch cost to Emergency Medical Services.

### Emergency Medical Services

- **Increase** There is a total increase of **\$271,630**. The majority of this increase is due to a transfer of **\$152,900 (72%)** for Emergency Dispatch and **\$124,290** for Technology Reserve for the replacement of EMS equipment. This change better represents the overall cost of the EMS fund.

### Fire Buildings

- **Decrease** There is a total decrease of **\$87,150**. The majority of this decrease is due to the completion of the Fire Station Alerting System (**\$75,00**).

### Risk Management

- **Decrease** There is a total decrease of **\$68,730**. This accounts for the Fire Department's share of insurance premiums paid by the Village, as well as the Fire Department's workman's compensation costs.



## **Fire Department Challenges:**

1. Meet the challenges of operating during a pandemic and during times of civil unrest and readily changing operations based on critical information and availability of resources
2. Meet the challenges associated with an aging population, an Opioid crisis, mental health concerns, and the unknown long-term effects of the pandemic
3. Continue to maintain and update our aging fire facilities
4. Address unfunded mandates from County, State, and Federal levels

# POLICE DEPARTMENT

ROY NEWTON, POLICE CHIEF

## LOMBARD POLICE DEPARTMENT



Date: September 2, 2020

To: Scott Niehaus - Village Manager

From: Roy Newton – Chief of Police

**Re: Proposed Budget for the Lombard Police Department  
Calendar Year 2021**

Attached to this correspondence, please find the police departments proposed budget for calendar year 2021. The general fund shows an increase of \$28,065 or .20% increase as compared to CY 20.

### Areas of Increase

- As now required with additional cannabis DUI arrests, there is a need to have cannabis DUI test kits for processing. This will be a new line item at an increased line item of \$8,000.
- A \$14,000 increase to our patrol training cost center to reflect the mandated law enforcement training required by the State of Illinois.
- A \$50,400 increase in for TASER upgrade

### Areas of Decrease

- There are noted areas of decrease by making reductions in specific line items within a cost center.
- Patrol Services decreased by \$9,750.
- Admin Training decreased by \$4,000.
- Admin Operations decreased by \$2,000.
- Police Records Operations decreased by \$3,500.
- Police Records Wages decreased by \$106,169 by the elimination of a full time and part time front desk clerk.

### Challenges

- Continue to replace officers due to retirement and catch up on hiring from previous retirements.

- Commit to use data mapping and call load statistics to review our current manpower needs and beat / zone map.
- Maintain and remodel an aging facility.

**Body / Squad Camera Project:**

We are researching options for body and squad car cameras in 2021. This project will require extensive training and modest upgrades inside the police facility.

If you should have any questions, or would like additional information, please do not hesitate to contact me.

cc: Dep. Chief Wirsing  
Dep. Chief Grage



Calendar Year 2021  
Budget Workshop  
Lombard Police Department

# Police Department Budget Overview

- Police Department's FY21 proposed budget for all funds is \$14,957,416 which is an increase of \$186,335 (1.26%) compared to FY20 budget
  - General Fund increased \$28,065 (0.20%)
  - DUI Equipment/Technology Fund increased \$36,700 (316.38%)
  - Police Donation Fund no change
  - Police Grants increased \$150,000 (229.01%)
  - Hotel/Motel Tax Fund decreased \$1,490 (2.19%)
  - Federal Seizure Fund increased \$16,700 (139.17%)
  - State Seizures Fund increased \$16,700 (238.57%)
  - Liability Insurance Fund decreased \$60,340 (10.55%)



## Village of Lombard Police Department FY21 Budget Request Summary

	ACTUAL 2019	AMENDED BUDGET 2020	YEAR-END ESTIMATE 2020	PROPOSED 2021	\$ OVER/UNDER 2020 BUDGET
<b>Police Department</b>	<b>14,379,914</b>	<b>14,771,081</b>	<b>14,316,990</b>	<b>14,957,416</b>	<b>186,335</b>
Police Administration	3,584,336	3,881,770	3,874,560	4,019,615	137,845
Police Buildings	63,168	65,431	43,030	55,050	(10,381)
Patrol Services	7,368,658	6,923,510	6,952,320	7,160,241	236,731
Criminal Investigations & Juvenile	1,430,892	1,830,480	1,625,970	1,667,300	(163,180)
Police Records	842,736	911,710	859,170	820,420	(91,290)
Police Traffic Services	427,081	421,210	298,450	339,550	(81,660)
DUI Equipment/Technology	6,158	11,600	65,000	48,300	36,700
State Seizures	8,040	7,000	14,700	23,700	16,700
Federal Seizures	76,542	12,000	-	28,700	16,700
PD Village Events	62,267	68,030	32,350	66,540	(1,490)
Police Donations	5,632	1,000	1,500	1,000	-
Police Grants	159,787	65,500	65,500	215,500	150,000
Risk Management - Police	344,618	571,840	484,440	511,500	(60,340)
<i>Year to Year Increase</i>		<i>2.72%</i>	<i>-3.07%</i>	<i>1.26%</i>	
		<i>Compares to 2019 Actual</i>	<i>Compares to 2020 Amended Budget</i>	<i>Compares to 2020 Amended Budget</i>	

## Significant Increase/Decreases

### **Police Administration**

- There is a total decrease of \$6,000

### **Patrol Services**

- There is a total decrease of \$9,750
- Operating supplies was reduced by \$9,750 (ammunition and equipment)
- Increased Patrol Operations \$50,400 for TASER upgrade
- Increase Patrol Training of \$14,000 for academy training

### **Criminal Investigations**

- There are no areas of change

### **Police Records**

- There is a total decrease of \$110,000 for elimination of front desk personnel and other miscellaneous expenses
- There is an increase of \$8,000 for DUI Cannabis Test Kit Processing

### **Police Traffic Services**

- There is a decrease of \$2,000 in overtime expenses

## **Police Department Challenges:**

- The continued age of the police facility now in its 42<sup>st</sup> year. Interior remodel of locker room and basement area should be considered
- Interior remodel of the records and front desk area to reflect changes in operations
- Recruitment in diversified areas to reflect the demographics of Lombard
- Returning or maintaining full strength of personnel due to previous retirements
- Implementation / Cost of a Body / Squad car camera project